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ARIZONA LABOR MARKET INFORMATION

NEWSLETTER

Vol. XIV No. 1
January 1990

Unemployment Rate

Seasonally Adjusted
November*

ARIZONA	–	4.7%
Maricopa Co.	–	3.9
Pima Co.	–	3.6
United States	–	5.4

Consumer Price Index

U.S. – November 1989
Base = 1982-84

Wage Earner/Clerical Worker	–	124.4
% Chg. Year Ago	–	4.5
All Urban	–	125.9
% Chg. Year Ago	–	4.7

Phoenix – 4th Qtr 1989
Base = 1982-84

All Urban	–	127.8
% Chg. Year Ago	–	4.3

Tucson – 4th Qtr 1989
Base = 1982-84

All Urban	–	128.8
% Chg. Year Ago	–	3.6

* Preliminary

Raising the Minimum

New Base Wage Set to Take Effect in April

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Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Minimum-Wage Increase Expected to Affect 4 Million

Hourly Rate Rises to $3.80 in April, $4.25 Year Later; State Impact Uncertain

In late November, President Bush signed into a law a bill that will raise the minimum wage for about 4 million American workers from $3.35 an hour to $4.25 an hour by April 1991 and create a "training wage" for up to six months for new workers who are 16 to 19 years old.

The compromise legislation, which increased the minimum wage for the first time since 1981, ended a battle between the President and factions of Congress that had sought a higher base wage. Bush vetoed a bill earlier in 1989 to raise the minimum wage to $4.65 an hour.

Under the new law, the minimum wage will increase 45 cents to $3.80 an hour next April, then go to $4.25 an hour a year later. The subminimum-wage provision will allow employers to pay 16 to 19 year olds 85 percent of the prevailing minimum wage -- $3.23 in April 1990; $3.61 in April 1991 -- for their first three months on the job, and an additional three months if they are receiving formal training.

Employers will have to certify to the U.S. Labor Department that they are providing skills training in order to pay the subminimum wage to workers with three- to six-months experience. Workers 20 years old and up or with six months of experience will not be affected by the training wage.

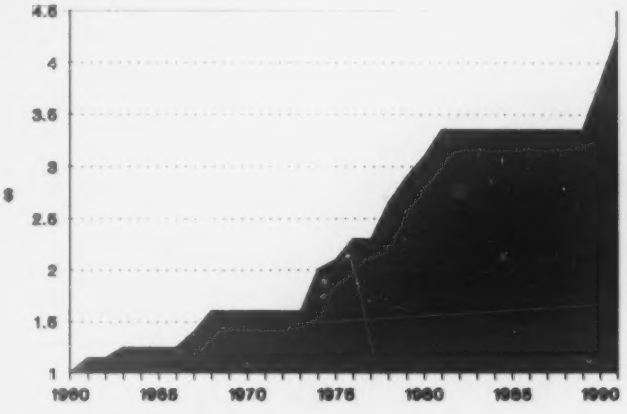

Figure 1. U.S. Minimum Wage, 1960-1990

As under the current law, certain jobs are exempted from the new legislation, which is part of the Fair Labor Standards Act. Included among these are: employees of small businesses with gross sales less than $500,000 (up from the current $362,500), some farm workers, casual baby sitters, newspaper delivery workers, and amusement park employees.

Workers who receive tips presently must be paid at least 40 percent of the minimum wage if the tips bring the hourly pay up to the minimum. Under the new law, those employees must receive at least 45 percent of the minimum wage next April and 50 percent by April 1991.

Congressional researchers have estimated that two-thirds of workers affected by the bill will be women, of which 25 to 33 percent of them are heads of households. In Arizona, an estimated 94,000 people work full time at minimum wage or below, while 40,000 to 60,000 workers in the state are expected to be affected by the increased base wage.

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Prior to the bill's passage, 11 states with their own minimum-wage laws had higher base wages than the current $3.35 an hour, with some states already at $4.25 an hour. Arizona does not have a separate minimum-wage law, and thus will follow the federal provisions.

Critics of the 15 percent hike in the minimum wage say that fewer jobs will be created and unemployment will rise due to higher labor costs and loss of productivity. In turn, they say, increased costs will lead to higher prices for consumers.

Table 1. Values of Minimum Wage, 1960-1989

Year	Current Dollars	1989 Dollars[1]	Percent of Poverty Line Family of 3	Percent of Avg. Nonsupervisory Wage
1960	$1.00	$4.19	66.2%	47.3%
1961	1.15	4.77	100.4	53.7
1962	1.15	4.71	98.2	51.8
1963	1.25	5.06	105.1	54.8
1964	1.25	5.00	107.7	53.0
1965	1.25	4.91	103.4	50.9
1966	1.25	4.78	100.6	48.8
1967	1.40	5.20	109.4	52.2
1968	1.60	5.70	120.0	56.1
1969	1.60	5.41	113.8	52.6
1970	1.60	5.11	107.4	49.8
1971	1.60	4.90	103.1	46.4
1972	1.60	4.74	99.7	43.2
1973	1.60	4.46	93.8	40.8
1974	2.00	5.03	105.7	47.2
1975	2.10	4.84	101.7	44.4
1976	2.30	5.01	105.4	47.3
1977	2.30	4.71	99.0	43.9
1978	2.65	5.04	105.9	46.8
1979	2.90	4.95	104.2	47.1
1980	3.10	4.67	98.2	46.5
1981	3.35	4.57	96.1	46.2
1982	3.35	4.30	90.6	43.9
1983	3.35	4.17	87.8	41.8
1984	3.35	4.00	84.2	40.3
1985	3.35	3.86	81.3	39.1
1986	3.35	3.70	78.0	38.2
1987	3.35	3.60	76.0	37.8
1988	3.35	3.51	74.0	36.1
1989	3.35	3.35	70.8	34.4

1. Value of 1989 dollars, adjusted for inflation by using the U.S. Consumer Price Index.
Source: Center on Budget and Policy Priorities, from U.S. Department of Labor and Congressional Budget Office data.

Proponents of the higher wage, however, say that unemployment has not traditionally risen when the minimum wage was boosted, and that without a significant increase the number of workers living in poverty will continue to rise. A study by the Center on Budget and Policy Priorities shows that in 1989 a person working for minimum wage and supporting a family of three was earning 30 percent below the poverty line, compared to only 4 percent when the minimum wage was last increased in 1981 (Table 1).

As to the potential affects of the increased wage on the state's economy, the head of DES, Research Administration, says it's difficult to assess how it will influence an already sluggish Arizona economic engine. "Obviously you wouldn't expect it to help expand jobs," says Research Administrator Dan Anderson.

The services and trade industries, which have been two of only a few bright spots for the state during the past two years, will be affected the most by the higher wage since these sectors employ a large proportion of minimum-wage employees. But Anderson says,

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while a higher wage will bring increases for these sectors' lowest-paid employees, it doesn't necessarily translate into corresponding increases for workers in positions that currently earn more than the new minimum wage. "We assume what mostly will occur is wage compression," -- increases at the bottom of the scale -- "which doesn't mean an upward shift on the wage scale," Anderson says.

More details about minimum-wage changes are available by contacting the U.S. Department of Labor's Wage and Hour Division at (602) 640-2990.

--Brent Fine
Arizona LMI Newsletter Editor

Table 1. Arizona Labor Surplus Areas

Eligible Areas	Civil Jurisdictions Included
Apache County	Apache County
Balance of Cochise County	Cochise County less Sierra Vista City
Balance of Coconino County	Coconino County less Flagstaff City
Flagstaff City	Flagstaff City in Coconino County
Gila County	Gila County
Graham County	Graham County
Greenlee County	Greenlee County
La Paz County	La Paz County
Navajo County	Navajo County
Pinal County	Pinal County
Santa Cruz County	Santa Cruz County

14 'Labor Surplus' Areas in State Designated

Fourteen civil jurisdictions in Arizona have been designated as "labor surplus areas" for the federal fiscal year beginning October 1, 1989, and ending September 30, 1990. The "labor surplus" designation affects every city and county jurisdiction in the state, except those in Pima, Maricopa, Yavapai, and Mohave counties.

Employers who will perform more than 50 percent of contract work within labor surplus areas are entitled to preference in bidding on federal contracts. The reason for giving preference is to funnel federal dollars into communities with unemployment higher than the national average.

All areas in counties, and cities with a population of at least 25,000, qualify as labor surplus areas if their unemployment rate is 20 percent higher than the national average during the previous two calendar years. Jurisdictions that had an average unemployment rate of 7.1 percent or higher (5.9 percent x 1.2) during the period of January 1987 through December 1988 are eligible.

Jurisdictions can also be classified as labor surplus areas under "exceptional circumstance" criteria if unemployment rates rise dramatically because of plant closures, contract cancellations, natural disasters, and other unforeseen circumstances. The Labor Department adds areas under this provision on a monthly basis during the fiscal-year period.

A complete listing of surplus areas -- including updates -- is published by the Labor Department in *Area Trends in Employment and Unemployment*. Cost is $25 for a yearly subscription and $3 for a single issue. To order, write to: Superintendent of Documents, U.S. Government Printing Office, Washington D.C.; or call (202) 783-3238.

Employers interested in bidding on federal contracts should consult *Commerce Business Daily*, a U.S. Department of Commerce periodical that lists federal contract requirements and projects to be awarded under preference procedures.

Energy Prices Fuel Largest Rise in CPI Since '81

The U.S. Consumer Price Index for All Urban Consumers (CPI-U), the most widely used indicator for measuring inflation, rose 4.6 percent before seasonal adjustment to a level of 126.1 (1982-84=100) for the 12-month period ending in December, the Department of Labor's Bureau of Labor Statistics (BLS) reports.

The rise in last year's CPI-U was in line with increases of 4.4 percent in both 1987 and 1988, but was the largest annual change since a 8.9 percent jump in 1981.

While advances in the food, shelter, and energy components were each larger than in 1988, the slight acceleration in the overall CPI-U was principally due to sharp increases in petroleum-based energy items during the first half of 1989. Food prices, which also rose notably more in the first half of the year, registered their largest increase since 1980.

The index for all items less food, shelter, and energy -- up 4.1 percent in 1989 -- rose less than in 1988 as prices for other commodities registered their smallest increase in three years. In particular, apparel prices increased 0.7 percent in 1989 after advancing 4.8 percent in 1988. Prices for other services rose about the same as in 1988. An 8.4 percent increase in medical-care services accounted for about one-third of the rise.

After advancing sharply early in 1989, gasoline prices declined in six of the last seven months, ending up 6.5 percent higher than a year ago, but still 25.0 percent lower than their peak level of March 1981. Household fuel, meanwhile, rose 19.5 percent last year.

Other areas of note included: dairy products, which continued their recent sharp upturn, advancing 10.3 percent during the past 12 months; beef and pork prices, which rose 6.5 and 6.9 percent, respectively; new automobiles, which nudged up 2.4 percent; telephone services, which dropped 0.3 percent as declines in interstate and intrastate toll calls more than offset a 0.6 percent increase in local service charges; professional services, 6.5 percent above 1989; and in the entertainment sector, charges for admissions, 9.5 percent higher.

--U.S. Department of Labor, Bureau of Labor Statistics

Table 1. Consumer Price Index (CPI-U) Percent Changes, 1983-89

	1983	1984	1985	1986	1987	1988	1989
All Items	3.8	3.9	3.8	1.1	4.4	4.4	4.6
Energy	-.5	.2	1.8	-19.7	8.2	.5	5.1
All items less energy	4.5	4.4	4.0	3.8	4.1	4.7	4.6
Food	2.7	3.8	2.6	3.8	3.5	5.2	5.6
All items less food and energy	4.8	4.7	4.3	3.8	4.2	4.7	4.4
Shelter	4.7	5.2	6.0	4.6	4.8	4.5	4.9
All items less energy, food, and shelter	5.0	4.3	3.7	3.3	3.8	4.7	4.1
Other commodities	5.0	3.1	2.2	1.4	3.5	4.0	2.7
Other services	4.9	6.0	5.4	5.6	4.3	5.6	5.5

Source: U.S. Department of Labor, Bureau of Labor Statistics.

State Commerce Department Takes Bids for Enterprise Zones

Although it took two years to come to fruition, the Arizona Enterprise Zone program is now open for business. Beginning this month and continuing through March 1, the state Department of Commerce is accepting bids from county and municipal governments seeking preferred tax status for economically distressed areas.

Similar to federal legislation designating enterprise zones, the Arizona program was initially established by the Legislature in 1987, but was revised in 1989 and signed into law by Governor Mofford last May.

The program's primary goal, says a procedures manual distributed by the Commerce Department, "is to improve the economies of distressed areas" by offering state and local incentives to private businesses to invest in those areas and "removing unnecessary governmental regulatory barriers to economic development." By doing this, the Commerce Department says property values tend to increase or at least stay the same, and the employability of disadvantaged workers is raised.

A Commerce Department official connected with the project says economically depressed areas often need a boost to get back on their feet. "In a competitive market, areas that have high unemployment and high poverty rates have a difficult time competing without some sort of assistance," says Mobin Qaheri, a senior economic specialist with the agency's Division of Economic Research.

One interesting feature of Arizona's program, Qaheri points out, is that enterprise zones can overlap several governmental boundaries. For example, a zone could encompass areas within several cities or it could be on land that is partly in a county and a city.

The enterprise zone law -- Senate Bill 1329 -- and the procedures manual specify how cities and counties would govern a zone in that situation.

(Continued on page 7)

Federal Tax-Credit Program Extended for Nine Months

Federal legislation passed in December has extended the Targeted Jobs Tax Credit (TJTC) program through September 30. The program that offers employers tax credits for hiring disadvantaged persons in nine target groups was due to expire at the end of 1989.

The U.S. Department of Labor recently distributed $24 million to states to finance the administration of the TJTC program, which allows employers to claim a credit of 40 percent of an employee's first-year wages up to $6,000, or a maximum credit of $2,400 per employee. In addition, employers can claim a credit of 40 percent of an employee's wages up to $3,000, or a maximum credit of $1,200, for economically disadvantaged summer youth workers hired between May 1 and September 15.

Some of the target groups in the TJTC program include:

* People with disabilities referred from vocational rehabilitation programs of either a state or the U.S. Department of Veteran Affairs.
* Economically disadvantaged Vietnam-era veterans.
* Economically disadvantaged youth ages 18 to 22, or youth ages 16 to 19 that participate in qualified cooperative education programs.
* Recipients of federal Supplemental Security Income (SSI), or recipients of state and local general assistance payments for at least 30 days.

More information is available about the TJTC program by contacting a Department of Economic Security (DES) Job Service office, schools that offer vocational education programs, or a local Internal Revenue Service office. IRS Publication 572, "General Business Credits," also has pertinent information.

--U.S. Department of Labor Bureau of Labor Statistics

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To qualify for enterprise zone status, an area must meet several requirements. It:

* must have either an unemployment rate or a poverty rate 150 percent of the statewide rate.

* must be at least one-quarter square mile and have a population of at least 1,000 persons.

* cannot be an entire county if the area's population is more than 500,000 (Pima and Maricopa counties).

Tax credits are the primary incentive offered to businesses that locate in an enterprise zone. These kick in when at least 35 percent of net new qualified employees are residents of the zone.

A "qualified employee" is someone who is considered "economically disadvantaged" as defined by the Job Training Partnership Act (JTPA). Tax credits range from one-fourth of taxable wages (not to exceed $1,000) per net new employee in the first year of employment, up to one-half of taxable wages (not to exceed $2,500) per net new employee in the third year of employment.

The Department of Commerce is limited to choosing six enterprise zones a year, with only one per county. Qaheri says his agency is not sure how many applications it will receive, but "the response was very good" to presentations made around the state to the private and public sector.

More information is available about the program by calling the Commerce Department's Division of Economic Research at 542-3866.

The Arizona Labor Force in November

Arizona's unemployment rate dropped in November to 4.7 percent -- its lowest level since September 1984 when it was 4.5 percent. Meanwhile, Maricopa County's 3.9 percent rate was also at a five-year low, and Pima County's 3.6 percent rate was not only below Maricopa's for the first time in 11 months, but also descended to its lowest level in 16 years.

These low rates are not of the same kind Arizona enjoyed during the boom year of 1984 when employment was growing at record rates, but reflect slowing of work force growth. Arizona's labor force peaked in May at 1,740,700 and lost 36,400 through October. November saw a return of growth by 1,100, but that is less than half the average November growth of 2,600 during the economic expansion since 1982. There is an implication that either in-migration has slowed, or that fewer women and youth are entering the labor force.

Arizona unemployment declined another 7,400 in November to 75,000 which, like the rate, was the lowest level since 1984. While unemployment declined, total employment (residence-based) increased by 8,500, a seasonally expected amount.

Nonfarm wage and salary employment (number of jobs by place of work) grew 10,600, a respectable amount for November. Over-the-year growth through November has been 34,400 jobs, or a growth rate of 2.4 percent.

Trade grew 6,800, just a little better than seasonally normal for November. In fact, retail trade growth was seasonally weak, adding 5,500. Food stores contributed 1,200, or 200 more than seasonal.

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Arizona Labor Force and Employment

November 1989 (in thousands)

	ARIZONA				
				Amount Change	
	Nov.* 1989	Oct. 1989	Nov. 1988	Oct.- Nov.	1988- 1989
TOTAL CIVILIAN LABOR FORCE**	1705.4	1704.3	1693.7	+1.1	+11.7
Total Unemployment	75.0	82.4	96.8	-7.4	-21.8
Rate	4.4	4.8	5.7	----	----
Rate (Sea. Adj.)***	4.7	4.8	6.2	----	----
Total Employment	1630.4	1621.9	1596.9	+8.5	+33.5

The Above Labor Force Statistics Should Nc

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1474.8	1464.2	1440.4	+10.6	+34.4
Manufacturing	190.1	190.2	190.1	-0.1	+0.0
Durable Goods	144.4	144.6	146.2	-0.2	-1.8
Stone, Clay, and Glass	7.8	7.8	7.6	+0.0	+0.2
Primary and Fabricated Metals	15.9	16.0	15.7	-0.1	+0.2
Primary Metals	7.4	7.5	7.5	-0.1	-0.1
Fabricated Metals	8.5	8.5	8.2	+0.0	+0.3
Machinery	62.2	62.4	66.0	-0.2	-3.8
Other Durable Goods	58.5	58.4	56.9	+0.1	+1.6
Aircraft and Missiles	26.0	26.0	26.2	+0.0	-0.2
Lumber and Wood Product (Excluding Furniture)	8.6	8.6	8.4	+0.0	+0.2
All Other Durable Goods	23.9	23.8	22.3	+0.1	+1.6
Nondurable Goods	45.7	45.6	43.9	+0.1	+1.8
Food and Kindred Products	10.0	9.9	9.4	+0.1	+0.6
Apparel	4.7	4.7	4.5	+0.0	+0.2
Printing and Publishing	17.1	17.0	16.8	+0.1	+0.3
All Other Nondurable Goods	13.9	14.0	13.2	-0.1	+0.7
Mining and Quarrying	12.0	12.1	12.0	-0.1	+0.0
Copper Mining	9.2	9.2	8.8	+0.0	+0.4
Other Mining and Quarrying	2.8	2.9	3.2	-0.1	-0.4
Construction	89.4	91.7	93.7	-2.3	-4.3
Trans., Communications, & Public Utilities	74.3	73.9	72.7	+0.4	+1.6
Transportation	39.7	39.3	36.9	+0.4	+2.8
Communications and Public Utilities	34.6	34.6	35.8	+0.0	-1.2
Trade	372.9	366.1	353.9	+6.8	+19.0
Wholesale Trade	72.4	71.1	68.1	+1.3	+4.3
Retail Trade	300.5	295.0	285.8	+5.5	+14.7
General Merchandise and Apparel	48.3	46.2	46.3	+2.1	+2.0
Food Stores	50.5	49.3	47.5	+1.2	+3.0
Automotive and Service Stations	35.7	35.7	34.1	+0.0	+1.6
Eating and Drinking Places	102.7	101.8	98.5	+0.9	+4.2
Other Retail Trade	63.3	62.0	59.4	+1.3	+3.9
Finance, Insurance, and Real Estate	93.3	92.6	91.6	+0.7	+1.7
Services and Miscellaneous	379.5	376.3	362.2	+3.2	+17.3
Hotels and Other Lodging Places	44.2	43.2	41.4	+1.0	+2.8
Business Services	79.3	78.6	77.0	+0.7	+2.3
Health Services	94.6	93.8	91.4	+0.8	+3.2
Other Services	161.4	160.7	152.4	+0.7	+9.0
Government	263.3	261.3	264.2	+2.0	-0.9
Federal	45.2	44.9	44.2	+0.3	+1.0
State and Local	218.1	216.4	220.0	+1.7	-1.9
School	125.8	123.7	120.6	+2.1	+5.2

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

November 1989 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			Amount Change					Amount Change	
Nov.* 1989	Oct. 1989	Nov. 1988	Oct.- Nov.	1988- 1989	Nov.* 1989	Oct. 1989	Nov. 1988	Oct.- Nov.	1988- 1989
1057.4	1056.2	1045.1	+1.2	+12.3	320.0	320.7	319.8	-0.7	+0.2
39.8	43.5	50.6	-3.7	-10.8	11.6	13.6	15.5	-2.0	-3.9
3.8	4.1	4.8	---	---	3.6	4.2	4.8	---	---
3.9	4.1	5.1	---	---	3.6	4.2	4.8	---	---
1017.6	1012.7	994.5	+4.9	+23.1	308.4	307.1	304.3	+1.3	+4.1

e Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

970.3	962.3	945.3	+8.0	+25.0	256.6	254.4	253.3	+2.2	+3.3
139.8	139.9	138.5	-0.1	+1.3	28.1	28.0	29.9	+0.1	-1.8
107.7	107.8	107.8	-0.1	-0.1	22.3	22.2	24.0	+0.1	-1.7
4.8	4.8	5.1	+0.0	-0.3					
10.6	10.6	10.4	+0.0	+0.2					
51.3	51.5	52.7	-0.2	-1.4					
41.0	40.9	39.6	+0.1	+1.4					
32.1	32.1	30.7	+0.0	+1.4	5.8	5.8	5.9	+0.0	-0.1
6.6	6.5	6.0	+0.1	+0.6					
3.6	3.5	3.4	+0.1	+0.2					
12.0	12.0	11.9	+0.0	+0.1					
9.9	10.1	9.4	-0.2	+0.5					
0.9	0.9	0.7	+0.0	+0.2	2.1	2.1	1.9	+0.0	+0.2
60.1	61.5	64.5	-1.4	-4.4	16.1	16.3	16.8	-0.2	-0.7
52.1	51.8	50.5	+0.3	+1.6	9.5	9.5	9.0	+0.0	+0.5
29.2	28.9	27.1	+0.3	+2.1	4.9	4.9	4.6	+0.0	+0.3
22.9	22.9	23.4	+0.0	-0.5	4.6	4.6	4.4	+0.0	+0.2
251.4	246.1	239.8	+5.3	+11.6	61.5	60.6	57.9	+0.9	+3.6
58.4	57.5	54.6	+0.9	+3.8	7.4	7.4	6.9	+0.0	+0.5
193.0	188.6	185.2	+4.4	+7.8	54.1	53.2	51.0	+0.9	+3.1
29.8	28.4	29.2	+1.4	+0.6	8.1	7.6	7.9	+0.5	+0.2
33.0	31.9	30.8	+1.1	+2.2	8.2	8.1	8.3	+0.1	-0.1
22.9	22.8	21.6	+0.1	+1.3	5.6	5.7	5.5	-0.1	+0.1
65.5	64.7	63.4	+0.8	+2.1	19.0	18.9	18.2	+0.1	+0.8
41.8	40.8	40.2	+1.0	+1.6	13.2	12.9	11.1	+0.3	+2.1
74.8	74.0	73.0	+0.8	+1.8	11.5	11.6	12.0	-0.1	-0.5
255.9	253.3	243.9	+2.6	+12.0	71.2	70.5	68.1	+0.7	+3.1
26.9	25.8	24.5	+1.1	+2.4	7.2	6.8	6.8	+0.4	+0.4
62.0	61.3	60.2	+0.7	+1.8	11.7	11.8	11.6	-0.1	+0.1
61.0	60.5	59.6	+0.5	+1.4	20.5	20.3	19.5	+0.2	+1.0
106.0	105.7	99.6	+0.3	+6.4	31.8	31.6	30.2	+0.2	+1.6
135.3	134.8	134.4	+0.5	+0.9	56.6	55.8	57.7	+0.8	-1.1

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
November 1990

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	14,525	35,225	44,550	12,575	9,200	2,850	5,675
Total Unemployment	1,475	1,925	2,675	1,025	600	225	325
Rate	10.2%	5.5%	6.0%	8.2%	6.5%	7.9%	5.7%
Rate (Seas. Adj.)**	11.5%	5.7%	6.3%	8.4%	6.7%	8.2%	5.7%
Total Employment	13,050	33,300	41,875	11,550	8,600	2,625	5,350
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY	15,250	26,000	41,250	10,925	5,950	2,800	3,750
Manufacturing	925	1,250	3,200	1,325	200	50	350
Mining & Quarrying	50	150	125	1,250	0	1,575	75
Construction	1,025	825	2,075	500	225	100	200
T.C.P.U.	1,625	1,625	2,125	375	175	50	75
Trade	1,600	5,950	9,825	2,475	1,500	225	1,200
F.I.R.E.	350	675	825	300	100	25	100
Services & Misc.	4,400	4,875	10,500	2,075	1,000	125	900
Government	5,275	10,650	12,575	2,625	2,750	650	850

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	33,700	27,325	39,800	11,175	38,650	52,750
Total Unemployment	1,550	2,075	2,400	1,325	1,750	6,275
Rate	4.6%	7.6%	6.0%	11.9%	4.5%	11.9%
Rate (Seas. Adj.)**	4.6%	8.2%	6.7%	11.4%	4.9%	17.5%
Total Employment	32,150	25,250	37,400	9,850	36,900	46,475
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY	23,750	21,350	31,525	10,400	26,675	28,425
Manufacturing	2,625	2,000	4,275	1,375	2,400	2,250
Mining & Quarrying	150	1,150	3,675	0	800	50
Construction	2,075	1,100	1,225	375	2,100	1,400
T.C.P.U.	1,175	1,800	975	625	1,025	1,075
Trade	7,425	4,200	5,750	4,050	7,325	8,475
F.I.R.E.	1,125	375	825	275	1,025	975
Services & Misc.	5,300	4,875	4,050	1,800	6,150	6,375
Government	3,875	5,850	10,750	1,900	5,850	7,825

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988
Manufacturing	424.79	411.84	410.94	42.1	41.6	41.3	10.09	9.90	9.95
Aircraft & Missiles	636.96	612.23	INA	45.4	44.3	INA	14.03	13.82	INA
Food & Kindred Prod.	348.25	340.80	329.87	39.8	40.0	39.6	8.75	8.52	8.33
Primary Metals	491.17	482.61	509.33	36.6	36.7	39.3	13.42	13.15	12.96
Machinery	397.76	383.27	409.85	40.3	39.8	40.7	9.87	9.63	10.07
Copper Mining	589.16	568.00	530.82	44.0	42.9	41.6	13.39	13.24	12.76
Construction	435.49	439.82	422.67	37.0	37.4	36.5	11.77	11.76	11.58
Utilities	699.92	705.12	632.88	43.5	43.1	41.5	16.09	16.36	15.25
Retail Trade**	250.69	252.55	241.80	32.6	33.1	32.5	7.69	7.63	7.44
Wholesale Trade	382.79	389.44	374.53	39.1	39.1	39.3	9.79	9.96	9.53

Estimated Hours and Earnings of Production Workers in Selected Industries Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988
Manufacturing	443.31	429.11	443.10	42.1	41.5	42.0	10.53	10.34	10.55
Construction	456.07	459.00	431.43	37.2	37.5	36.5	12.26	12.24	11.82
Retail Trade**	265.60	267.58	266.40	33.2	33.7	33.3	8.00	7.94	8.00
Wholesale Trade	396.58	407.09	393.22	39.5	39.6	39.8	10.04	10.28	9.88

Estimated Hours and Earnings of Production Workers in Selected Industries Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988	Nov.* 1989	Oct. 1989	Nov. 1988
Manufacturing	383.96	368.26	378.65	39.1	38.4	39.9	9.82	9.59	9.49
Copper Mining	630.84	616.94	597.97	43.9	43.6	43.3	14.37	14.15	13.81
Construction	389.00	386.80	386.34	38.1	37.7	36.9	10.21	10.26	10.47
Utilities	562.49	553.68	572.05	38.5	38.8	40.6	14.61	14.27	14.09

* Preliminary.

** Excudes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs November 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,705,396	1,630,393	75,003	4.4%
Apache	14,535	13,048	1,487	10.2
Cochise	35,216	33,290	1,926	5.5
Coconino	44,544	41,876	2,668	6.0
Gila	12,582	11,562	1,020	8.1
Graham	9,184	8,592	592	6.4
Greenlee	2,869	2,637	232	8.1
La Paz	5,695	5,360	335	5.9
Maricopa	1,057,377	1,017,599	39,778	3.8
Mohave	33,701	32,138	1,563	4.6
Navajo	27,304	25,240	2,064	7.6
Pima	320,013	308,429	11,584	3.6
Pinal	39,794	37,397	2,397	6.0
Santa Cruz	11,186	9,849	1,337	12.0
Yavapai	38,648	36,895	1,753	4.5
Yuma	52,750	46,482	6,268	11.9

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

The Arizona Labor Force in November

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Wholesale trade expanded by 1,300, while 800 has been the November average since 1982. Most of the above-normal growth was in Maricopa County, primarily among fresh fruit, vegetable and meat wholesalers.

Services gained 3,200, while 2,100 has been average in November since 1982. Hotels and other lodging places, anticipating a good tourism season, had the greatest part of the gain, adding 1,000, 400 above its seasonal average.

Government had weak growth for the month, adding 2,000 jobs. Federal government and schools had normal seasonal growth, while state and local government grew only 1,700, or half normal for November.

FIRE was the surprise of the service sector in November, adding 700 when 300 is seasonally normal. Construction did not benefit, however, from the gain in FIRE. Construction lost 2,300 jobs -- more than the seasonally expected 800 loss -- of which 1,000 came in Maricopa County.

In summary, November was a month of mixed activity. Unemployment rates remained down after dropping precipitously in October, and wage and salary employment increased better than 10,000 over the month. But, there was no improvement in the goods-producing sector.

--Ron Simon
RA Economic Analysis Manager

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING -- **Hughes Aircraft Co.** is recalling 75 laid-off hourly employees for work on the AMRAAM (advanced medium air-to-air-missile) program. Hughes says the recall came because more people than anticipated had accepted an early retirement incentive program. Hughes' employment, however, stood at 5,500 at the end of the year, 1,000 fewer than at the beginning of 1989.

Honeywell Inc. is planning to expand its operations in the Valley with the construction of two buildings next to existing facilities at 5353 W. Bell Road and 21111 N. 19th Avenue. The additional space, however, is not expected to lead to increases in employment, which currently stands at 8,000 in the Phoenix area.

Forty to 50 employees are expected to be working for **DynAir Tech** of Arizona by the end of the year, repairing airplane flight controls and advanced composite structures used in commercial and military aircraft. The $1 million facility at Sky Harbor International Airport is part of DynAir's existing maintenance operation there that employs 800 people.

McDonnell Douglas Helicopter Co. is delaying the expansion of its light-helicopter plant in Mesa and the building of a composite-materials manufacturing facility. Revised plans call for completion of the projects by 1992 and are being delayed in order to put capital into existing plants producing commercial aircraft, a more lucrative market. In related news, Israel is expected to purchase between 16 and 19 Apache attack helicopters in a deal valued at $230 million. McDonnell Douglas is nearing an end on production of 800 Apaches for the U.S. Army.

Phoenix Newspapers Inc., parent company of *The Arizona Republic* and *The Phoenix Gazette*, is replacing 1,500 Gazette carriers with 270 adult carriers, and also is eliminating 76 jobs in the circulation department as well as six reporters from the *Republic* and *Gazette*. The parent company expects the changes to save $2 million in the first year and $4.5 million each year thereafter.

Kraft General Foods Inc. has purchased a 60,000-square-foot building at the Phoenix Tech Center, Interstate 10 and Elliot Road, with the intent of opening a customer-service center that may employ as many as 300 people. Last June, Kraft doubled its distribution facilities in Phoenix when it moved into a new warehouse at 45th Avenue and Buckeye Road.

CONSTRUCTION -- Despite a poor economic and real estate climate, about 8 million square feet of shopping centers in the Phoenix area are currently under construction, reaching all-time high for one period. Much of the growth is due to large retail chains -- Smith's, Albertsons, Home-Club -- opening numerous stores and the expansion of existing malls.

Phar-Mor Drug, an Ohio-based discount store, will anchor a 450,000-square-foot shopping center at Southern Avenue and Superstition Boulevard in Mesa. Construction of the center, being developed by Westcor, is set to begin this year and be completed by fall of 1991.

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As part of an expansion plan, **Pay Less Drugs Stores Northwest Inc.** will open its fourth and fifth stores in the state, in Sedona and Bullhead City.

Several thousand jobs are expected to be created by the development of 630 acres in Phoenix in an area bounded by Harrison Street, Central Avenue, Maricopa Freeway, and 15th Avenue. The major feature of **The Phoenix Revitalization Project**, which will include a mixture of retail, residential, and office and medical buildings, will be a $2.5 million, 25,000-square-foot professional building across the street from Phoenix Memorial Hospital at 7th Avenue near Buckeye Road.

FINANCE, INSURANCE and REAL ESTATE -- **Del Webb Corp.** of Phoenix reported strong sales in its two Arizona retirement communities during the first three months of its sales year (September - November). During that period, Webb sold 192 homes in Sun City West (in the northwest Valley) and 69 in Sun City Tucson.

Western Savings, Arizona's largest thrift, and its $5.83 billion in assets will be auctioned off by the Resolution Trust Corp. (RTC) sometime during the second quarter of 1990. The financially plagued institution is the state's third thrift -- along with Security Savings and Universal Savings -- to be put on the auction block.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES (TCPU) - Dallas-based **Southwest Airlines** is again expanding its Phoenix operation, by adding 13 flights from Phoenix and opening an employment center. The traffic increase will bring Southwest's flights from the Valley to 120, while the hiring facility will help handle the 600 job applications the airline receives monthly from Phoenix-area job seekers. Southwest added 400 employees to its Phoenix operation in 1989 for a total of 1,370 and plans to add an additional 200 jobs this year.

Acoustic Imaging Technologies Corp. of Tempe, which manufactures ultra-sound-imaging equipment, is moving its operation from five buildings in the Baseline Business Park to the Phoenix Tech Center at Interstate 10 and Elliot Road. Acoustic Imaging, which employs 280 workers, also expects to add 120 positions in 1990.

Aero California is starting service this month from Phoenix and Tucson to Los Cabos in Mexico's Baja Peninsula. Based in La Paz, Baja California, the 22-year-old Mexican airline looks at the move as the first step of expansion into the southwestern United States.

TRADE - Office-supply chain **The O.P. Club**, based in Phoenix, has opened its fifth store in the Valley, at 120 W. Thomas Road, and plans to open an additional three locations in 1990.

In a cost-cutting effort, **Smitty's** supermarket chain has eliminated 212 positions -- 190 custodial jobs and 22 security positions. Smitty's plans to contract with private companies to do the work.

Lou Regester Furniture Co. has closed its only Tucson location. None of 18 employees who lost their jobs is relocating to one of Regester's three stores in Phoenix.

MISCELLANEOUS - Arizona employers' **average unemployment insurance tax rate** on workers' first $7,000 earned will decline slightly, from 1.18 percent to 1.16 percent, beginning this year. The decrease will save employers $1.40 annually per worker. On the other hand, the **Social Security payroll tax** for employers and employees is increasing from 7.51 percent to 7.65 percent. On $10,000 income, employees and employers will each pay an additional $14 in taxes.

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